

May 30, 2014

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary:

I hereby transmit House File 2473, an Act relating to state and local finances by making appropriations, providing for fees, providing for legal responsibilities, and providing for regulatory requirements, taxation, and other properly related matters, and including penalties and effective date and retroactive and other applicability provisions.

House File 2473 is approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Division II in its entirety. This item would permanently move the standing appropriation for the State Appeal Board from the General Fund to the Economic Emergency Fund. This was not my recommendation. This item undermines best financial practices, which require an economic emergency fund truly be used for emergencies.

I am unable to approve the item designated as Section 12 in its entirety. This item creates a redundant mandate requiring the Department of Management to report to Legislative Services Agency when a department is applying for or renewing a federal grant with a value of over \$1,000. While I strongly support communication and collaboration among state agencies and branches of government, this item is unnecessary because Iowa Code section 8.9, paragraph 2(a) already requires that all grant applications submitted and grant moneys received shall be reported to the Office of Grant Enterprise Management. Iowa Code section 8.9, paragraph 2(b) currently provides that a report shall be submitted to the legislature by January 31 of each year. The Department of Management will work with the Legislative Services Agency to ensure that they have the financial information they need in a timely manner, making the mandate in this language unnecessary.

I am unable to approve the item designated as Section 14 in its entirety. This item would extend an exemption for licensed health care professionals from state law requiring a four month waiting period for employees who retire from Iowa Public Employees' Retirement System (IPERS) covered employment before returning to work. The IPERS Benefits Advisory Committee opposes an extension of this exemption. I believe the four-month waiting period mandated by Iowa Code is reasonable. The carve-out is costly for Iowa taxpayers and poor pension policy.

I am unable to approve the item designated as Division XII in its entirety. This item would permit a new type of flood mitigation entity to qualify under the Flood Mitigation Program. It would allow an entity to be approved for a flood mitigation district containing multiple counties, cities or sanitary districts. I agree with the concept of this change. However, if the new language in House File 2473 is added to current law, when new multi-jurisdiction flood mitigation districts are approved, they will overlap with other proposed reinvestment districts that were created last year with the passage of House File 641. This creates problems. In the case of overlap, it appears this item would affect the reinvestment districts which are already underway causing them to receive substantially less revenue than originally anticipated. I believe this unintended consequence should be resolved by the legislature. This item veto will allow the legislature time to work through this issue to ensure that flood mitigation and reinvestment districts receive the funding needed.

For the above reasons, I respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2473 are hereby approved as of this date.

Sincerely,

TERRY E. BRANSTAD  
Governor